

## TAX CREDIT ANALYSIS

<b>Program Name:</b> Youth Opportunities Program (YOP)					
<b>Department:</b> Economic Development		<b>Contact Name &amp; No.:</b> Brenda Horstman 751-3713			<b>Date:</b> October, 2011
<b>Program Category:</b> Domestic and Social			<b>Type:</b> Tax Credit <input checked="" type="checkbox"/> Other (specify) _____		
<b>Statutory Authority:</b> 135.460 and 620.110-620.1103, RSMo			<b>Applicable Taxes:</b> Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express companies tax		
<b>Program Description and Eligibility Requirements:</b> This is a contribution tax credit program which broadens and strengthens opportunities for positive development and participation in community life for youth and discourages criminal and violent behavior. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved YOP projects.					
<b>Explanation of How Award is Computed:</b> Entitlement _____ Discretionary <input checked="" type="checkbox"/> Credits are awarded on an open cycle and are awarded at 50% of the approved project budget					
<b>Program Cap:</b> Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 6 million _____ None _____ <b>Explanation of cap:</b>					
<b>Explanation of Expiration of Authority:</b>					
<b>Specific Provisions:</b> (if applicable) Carry forward <u>5</u> years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____					
<b>Comments on Specific Provisions:</b>					
	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ACTUAL</b>	<b>FY 2012 (current year)</b>	<b>FY 2013 (budget year)</b>
Certificates Issued (#)	3,053	3,043	3,072	3,056	3,056
Projects (#)	39	39	23	34	34
Amount Authorized	\$5,372,704	\$5,003,813	\$3,580,609	\$4,652,000	\$4,652,000
Amount Issued	\$4,821,723	\$4,406,277	\$4,917,600	\$4,093,760	\$4,093,760
Amount Redeemed	\$4,723,545	\$4,405,158	\$3,589,991	\$3,684,384	\$3,684,384
EST. Amount Outstanding	N/A	N/A	\$7,656,142	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$5,376,496	N/A	N/A

**HISTORICAL AND PROJECTED INFORMATION**

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Amount Authorized	\$5,372,704	\$5,003,813	\$3,580,609	\$4,652,000	\$4,652,000
Amount Issued	\$4,821,723	\$4,406,277	\$4,917,600	\$4,093,760	\$4,093,760
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**Comments on Historical and Projected Information:**

### BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (6 years)	<b>Derivation of Benefits</b> <b>Investment:</b> (a) \$1,199,246 in construction demand in 2011-2013. <b>Employment:</b> (a) n/a <b>Other Assumptions:</b> (a) 122 Jobs Skills Graduates earning an additional \$7.32 million/yr in disposable personal income between 2011-2016, (b) 13 new HS/GED graduates earning an additional \$78,000/yr in disposable personal income in 2011-2016. <b>Incentives/Credits:</b> (a) \$3,580,609 in authorized YOP credits, redeemed between 2011-2016.  Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11).
<b>BENEFITS</b>			
Direct Fiscal Benefits	\$4,213	\$14,884	
Indirect Fiscal Benefits	\$20,178	\$71,289	
<b>Total</b>	\$24,391	\$86,173	
<b>COSTS</b>			
Direct Fiscal Costs	\$596,768	\$3,387,063	
Indirect Fiscal Costs	\$0	\$0	
<b>Total</b>	\$596,768	\$3,387,063	
<b>BENEFIT: COST</b>	<b>0.04</b>	<b>0.03</b>	

**Other Benefits:**

**In FY-2011, every dollar of authorized program tax credits returns**

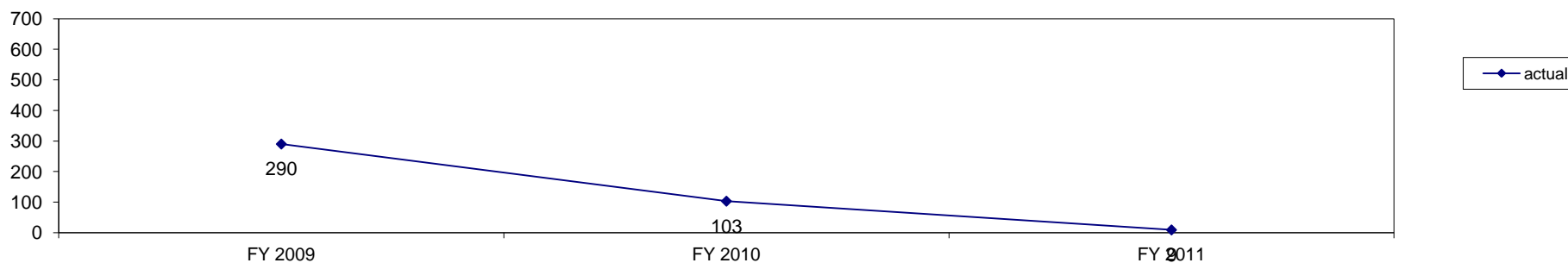
\$2.05 in new personal income totaling \$1.22 million  
 \$1.19 in new value-added/GSP totaling \$0.71 million  
 \$1.93 in new economic output totaling \$1.15 million

**Over 6 YEARS, every dollar of authorized program tax credits returns**

\$1.94 in new personal income totaling \$6.58 million  
 \$0.95 in new value-added/GSP totaling \$3.21 million  
 \$1.48 in new economic output totaling \$5.01 million

### PERFORMANCE MEASURE(S)

#### Permanent New/Retained Jobs



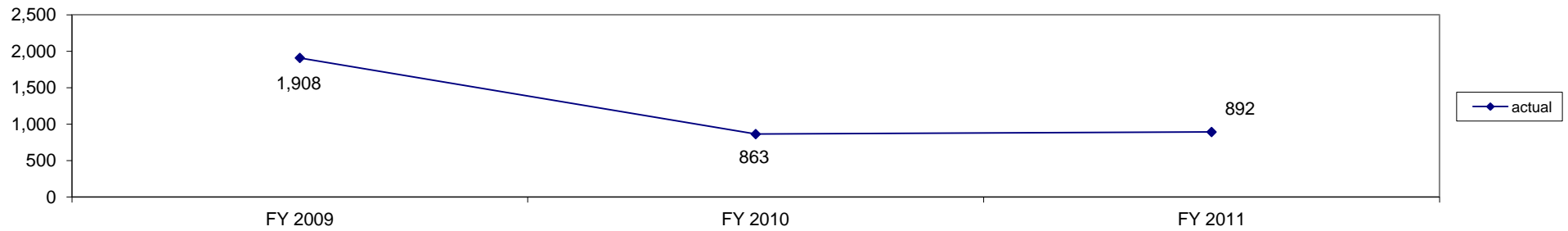
**Comments on Performance Measure:**

Numbers are dependent on the type of projects that are funded each year.

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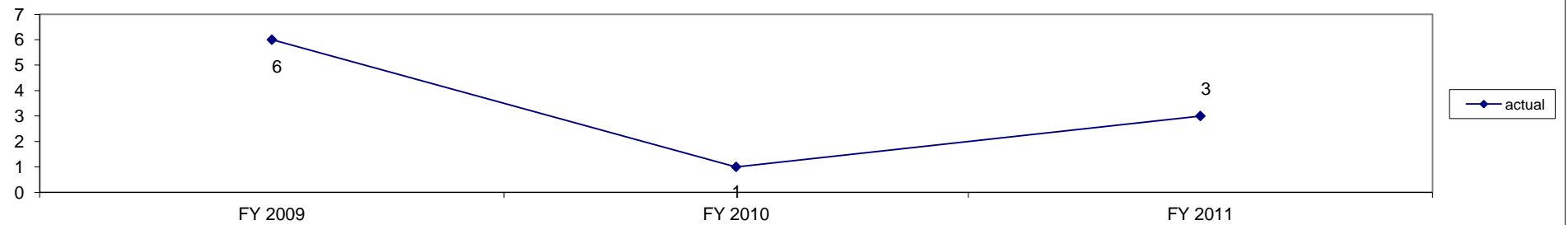
### Number of Youth Learning Life Skills



**Comments on Performance Measure:**

Includes individuals earning GEDs, job training and other skills necessary to become productive citizens. Numbers are dependent on the type of projects that are funded each year.

### Number of New/Renovated Facilities



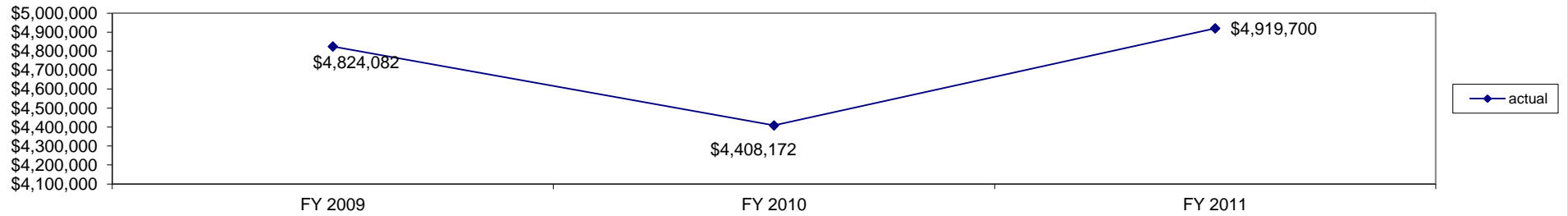
**Comments on Performance Measure:**

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### Amount Leveraged



### Comments on Performance Measure:

YOP tax credits leveraged (Total Contributions - Total Credits Issued)